GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2205
ANSWERED ON:28.07.2017
Economic Growth
Singh Shri Lallu

Will the Minister of FINANCE be pleased to state:

(a)whether it is mandatory to promote open market for providing pace to economic growth of the country;

(b)if so, the reaction of the Government thereto;

(c)whether manufacturing and agriculture output have declined at present in the country;

(d)if so, the details thereof and the reasons therefor; and

(e)whether despite lower production in the country the open market system will boost the economic growth of the country and if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ARJUN RAM MEGHWAL)

(a) & (b): Calibrated opening up of markets may aid economic growth of a country via higher trade and investment flows. Exports represent external market for India's goods and services and capital inflows can potentially increase the investment in the economy. The Economic Survey 2016-17 presented in the Parliament in January 2017, indicated that open foreign market access might encourage domestic economic growth. Government has liberalized the FDI regime, with the objective of providing major impetus to the economy.

(c) & (d): Index of Industrial Production (IIP, with base year 2011-12) for the manufacturing sector that tracks its production, was 121.8 for 2016-17, as compared to 116.2 in 2015-16 and 112.8 in 2014-15, showing an increase in manufacturing production. During April-May 2017, the average manufacturing IIP index was 121.4 vis-Ã -vis 119.3 in the corresponding period of the previous year, representing an increase of 1.8 per cent.

As per the third advance estimates of production for the year released by Department of Agriculture, Cooperation and Farmers Welfare, the production of various agriculture commodity groups is presented below.

Production of Major Crops (in Million)

Group/Commodity	2015-16	2016-17*
Food grains (tonnes)a	251.6	273.4
Pulses (tonnes)b	16.4	22.4
Oilseeds (tonnes)c	25.3	32.5
Cotton (bales of 170 Kgs. each)	30.1	32.6

Source: Directorate of Economics & Statistics, Department of Agriculture, Cooperation & Farmers Welfare
Notes:
*: 3rd Advance Estimates, a: Includes cereals, coarse cereals and pulses, b: Includes tur, urad, moong, gram, lentils and other pulses, c: Includes groundnut, rapeseed & mustard, sesamum, linseed, castorseed, nigerseed, safflower, sunflower and soyabean.

(e): As per the latest available data from CSO, the value of output for the economy has not declined in 2015-16. As per the first revised estimates of national income for 2015-16 (released in January 2017), value of output at constant (2011-12) prices registered a growth of 6.7 per cent in 2015-16.

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